

House Bill 1344

By: Representatives Benton of the 31st, Powell of the 29th, and McCall of the 30th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 3 of Title 40 of the Official Code of Georgia Annotated,
2 relating to certificates of title, so as to change the duty to inspect salvaged or rebuilt motor
3 vehicles from the state revenue commissioner to the commissioner of public safety; to
4 provide for related matters; to provide for an effective date and applicability; to repeal
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 2 of Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to
9 certificates of title, is amended by revising Code Section 40-3-37, relating to salvaged or
10 rebuilt motor vehicles, as follows:

11 "40-3-37.

12 (a) As used in this Code section, the term:

13 (1) 'Application for a certificate of title on a recovered stolen motor vehicle' means an
14 application for a certificate of title for a motor vehicle for which an insurance company
15 has paid a total loss claim, has obtained a title marked 'unrecovered stolen motor vehicle,'
16 and which has subsequently been recovered.

17 (2) 'Application for a certificate of title on a salvaged or rebuilt motor vehicle' means:

18 (A) An application for a certificate of title for a motor vehicle for which a current
19 Georgia certificate of title is marked 'salvage' pursuant to subsection (e) of Code
20 Section 40-3-36 and which has been repaired;

21 (B) An application for a certificate of title for a motor vehicle for which a current
22 out-of-state certificate of title is marked 'salvage,' 'rebuilt,' or 'restored' or any similar
23 such phrase; or

24 (C) An application for a certificate of title for a motor vehicle for which a current
25 Georgia certificate of title is marked 'salvage' pursuant to subsection (e) of Code

Section 40-3-36 and for which the transferee is anyone other than a ~~licensed dealer~~ licensee as defined in Code Section ~~43-48-2~~ 43-47-2.

(b)(1) Upon receipt of an application for a certificate of title on a salvaged or rebuilt motor vehicle, the commissioner of public safety shall promptly conduct an initial inspection on each such motor vehicle prior to the issuance of a certificate of title for the motor vehicle by the state revenue commissioner. Upon receipt of an application for a certificate of title on a recovered stolen motor vehicle which has been stripped of:

- (A) Substantially all its interior parts;
- (B) Engine;
- (C) Transmission;
- (D) All doors;
- (E) Complete soft top assembly including roof mechanism;
- (F) Front clip assembly (fenders, hood, and bumper); or
- (G) Cab and bed of a pick-up truck,

the commissioner of public safety shall promptly conduct an initial inspection on each such motor vehicle prior to the issuance of a certificate of title for the motor vehicle by the state revenue commissioner. The initial inspection shall include, but shall not be limited to, verification of the vehicle identification number, verification of the bills of sale or title for the major components, verification in regard to rebuilt vehicles that the word 'rebuilt' is permanently affixed as required by subsection (d) of this Code section, verification that the vehicle was rebuilt in the State of Georgia, and, if the vehicle has been repaired, verification that the motor vehicle conforms to all safety equipment standards required by law. The commissioner of public safety shall be authorized to charge a fee of \$100.00 for each initial inspection of each motor vehicle. In the event a motor vehicle fails an inspection, a fee of \$100.00 shall be charged for each subsequent reinspection. The commissioner of public safety may conduct any such initial inspection and any required reinspections even though the motor vehicle may have been previously inspected under this Code section.

(2) If, upon inspection under paragraph (1) of this subsection, it is determined that the motor vehicle is not in full compliance with the law, the state revenue commissioner shall refuse to issue a certificate of title until compliance is reached. The commissioner of public safety may order additional, corrective repairs to such vehicle as a condition of issuance of a certificate of title.

(c) All applications submitted pursuant to this Code section shall be accompanied by one or more photographs of the motor vehicle in its salvaged condition before any repairs have been made to such vehicle, which photographs shall be used by the commissioner of public safety in his or her inspections of the vehicle pursuant to this Code section. Any person

who rebuilds or repairs a salvage motor vehicle shall submit an application for a certificate of title and obtain an inspection of such vehicle prior to the painting of such vehicle.

(d)(1)(A) Upon inspection under subsection (b) of this Code section, if it is determined that the motor vehicle has been restored to an operable condition by the replacement of two or more major component parts, a certificate of title may be issued for such motor vehicle which shall contain the word 'rebuilt' on its face in no larger than 12 point font. This requirement will indicate to all subsequent owners of the motor vehicle that such is a rebuilt motor vehicle. If any such inspection determines that the motor vehicle shall require the replacement of less than two major component parts in order to restore the motor vehicle to an operable condition, a certificate of title shall be issued for such motor vehicle which shall contain the word 'rebuilt' on its face in such manner as the state revenue commissioner shall prescribe. This requirement will indicate to all subsequent owners of the motor vehicle that such is a rebuilt motor vehicle.

(B) If it is determined that the motor vehicle required or shall require the replacement of two or more major component parts in order to restore the motor vehicle to an operable condition, the ~~department~~ commissioner of public safety shall cause the word 'rebuilt' to be affixed to said motor vehicle at the time of inspection by the commissioner of public safety. The word 'rebuilt' shall be affixed in a clear and conspicuous manner to the door post or such other location as the commissioner of public safety may prescribe. The word 'rebuilt' shall be stamped on a certificate and shall be affixed to the motor vehicle in such manner as the commissioner of public safety may prescribe. The requirement of this subparagraph shall only apply to motor vehicles restored after November 1, 1982.

(2) Upon inspection by the commissioner of public safety and compliance with paragraph (2) of subsection (b) of this Code section, if it is determined that the motor vehicle does not require the replacement of two or more major components or has not had two or more major components changed, a certificate of title shall be issued by the state revenue commissioner and shall contain the word 'rebuilt' on its face.

(3) If, after the initial inspection, the commissioner of public safety determines that the damage is so extensive that returning such vehicle to a safe, operable condition is impossible, the salvage certificate shall be revoked and such vehicle may only be used for scrap or parts. A vehicle for which such a determination is made shall not be issued a title under any circumstances or conditions, including, but not limited to, obtaining of a surety bond.

(e) Any person, firm, or corporation ~~who~~ that rebuilds or repairs a motor vehicle whose current certificate of title is marked 'salvage' shall make application for and obtain a certificate of title as provided in this Code section prior to the sale or transfer of said motor

100 vehicle. If, under the laws of any other state, a vehicle has been declared to be
101 nonrebuildable, the state revenue commissioner shall not issue any certificate of title for
102 such vehicle and the vehicle shall not be used for any purpose except parts.

103 (f)(1) Motorcycles which are over 25 years old shall be exempt from the salvage laws
104 of this state.

105 (2) Motor vehicles which have been altered by the installation of a glider kit shall be
106 issued a certificate of title containing the word 'rebuilt.'

107 **SECTION 2.**

108 This Act shall become effective on July 1, 2010, and shall be applied to all applications filed
109 on or after that date.

110 **SECTION 3.**

111 All laws and parts of laws in conflict with this Act are repealed.